

[JOINT COMMITTEE PRINT]

**ESTIMATED REVENUE EFFECTS
OF THE
PRESIDENT'S TAX REFORM PROPOSAL**

**FOR THE USE
OF THE
COMMITTEE ON WAYS AND MEANS
AND THE
COMMITTEE ON FINANCE**

**PREPARED BY THE STAFF
OF THE
JOINT COMMITTEE ON TAXATION**



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CONTENTS

INTRODUCTION	Page 1
COMPARISON OF ESTIMATES OF THE JOINT COMMITTEE ON TAX- ATION STAFF AND THE TREASURY DEPARTMENT	2
ESTIMATED REVENUE EFFECTS OF THE PRESIDENT'S TAX REFORM PROPOSAL FOR FISCAL YEARS 1986-1990	4

(III)

ESTIMATED REVENUE EFFECTS OF THE PRESIDENT'S TAX REFORM PROPOSAL

Introduction

This pamphlet ¹ provides preliminary revenue estimates of President Reagan's May 1985 tax reform proposal. The provisions of the President's proposal are estimated to decrease fiscal year budget receipts by \$25.1 billion for the period 1986-1990. This consists of a decrease in individual tax receipts of \$147.3 billion and an increase in corporate and excise tax receipts of \$122.2 billion. The present analysis does not include estimates of the effects of changes in social security taxes.

The included table provides detailed revenue estimates of specific tax provisions contained in the President's tax reform proposal. Estimated provisions are categorized in a fashion similar to that presented in the extensive revenue table in *The President's Tax Proposal to the Congress for Fairness, Growth, and Simplicity* (May 1985). These preliminary estimates will be modified in the near future to incorporate updated macroeconomic forecasts, additional information on specific items and refinements of methodologies.

¹ This pamphlet may be cited as follows: *Estimated Revenue Effects of the President's Tax Reform Proposal* (JCS-26-85), July 26, 1985.

Comparison of Estimates of the Joint Committee on Taxation Staff and the Treasury Department

Overview

Estimates of changes in tax receipts prepared by the Treasury Department show a net decrease in receipts of \$11.6 billion over the fiscal year period 1986-1990. Joint Committee on Taxation (JCT) staff estimates show an additional net decrease in receipts of \$13.5 billion. This is the result of additional estimated revenue decreases in individual receipts of \$15.5 billion and additional corporate tax increases of \$2.0 billion as compared to Treasury estimates.

Reasons for Treasury-JCT estimating differences

In general

Procedural differences of the Treasury and JCT methods of estimation cause estimates of many provisions to appear differently as line items, but will not change aggregate estimates of the complete package. Treasury estimates are based on a specified ordering of provisions (stacking order) with rate changes estimated last. Thus, the Treasury methodology includes varying degrees of interaction with specific items. The JCT procedure derives interactions as a residual component of the estimate of the complete tax reform proposal. (In the accompanying table, interaction effects generally are included in revenue estimates of the individual and corporate rate reductions.)

Specific differences

In addition, a number of differences between Treasury and JCT estimating procedures can be delineated that do result in differences in the aggregate, as well as in specific line item estimates.

(1) *Macroeconomic assumptions.*—The JCT estimates employ assumed economic projections consistent with those published by the Congressional Budget Office in February of 1985. The Treasury estimates are based on Office of Management and Budget forecasts prepared in April 1985.

(2) *Recalibration of individual tax data.*—The JCT staff has recalibrated the data base used in estimating the majority of individual tax items to be consistent with preliminary 1983 Statistics of Income (IRS). The data used in this retargeting process was unavailable at the time of the Treasury analysis.

(3) *Updating and disaggregating investment levels and related depreciation model improvements.*—To analyze more completely depreciation and investment tax credit aspects of the proposal, JCT developed an improved, updated and greatly disaggregated data base for investment. In addition, the basic computer model used by JCT was revised to accommodate the improved data base.

(4) *Differences in forecasting methodologies.*—Differences exist in the econometric methodologies used for forecasting the future growth and distributional aspects of basic income and tax-related variables. This is true for both individual and corporate estimating models. In addition, technical improvements were made in the specification of estimating models and related assumptions.

(5) *Different methodology for estimating the interaction among corporate tax provisions.*—The revenue effect of changes in marginal tax rates, when combined with base broadening, was estimated with the JCT's corporate tax model. This methodology allows each proposal to interact with other proposals in determining the extent to which a given corporation is subject to tax at a particular rate.

In at least four instances (involving cash or deferred arrangements, property and casualty insurance, the recapture of rate differential on accelerated depreciation, and the credit for the elderly and disabled), the Administration has communicated refinements to the original proposals. The modified versions of these proposals were used as the basis for the present analysis. Differences are noted in the table in each case.

Estimated Revenue Effects of the President's Tax Reform Proposals for Fiscal Years 1986-1990

[Billions of dollars]

Provision	1986	1987	1988	1989	1990	1986-90
I. Income Tax Reform for Individuals ¹						
Reduction of rate schedules (see Note A)	-10.8	-52.4	-70.7	-80.4	-90.0	-305.2
Increase the Zero Bracket Amount ²	-3.0	-4.2	-4.4	-4.5	-4.7	-20.8
Repeal the additional exemption for the blind and elderly; increase the taxpayer and dependent exemption of \$2,000	-17.7	-36.4	-38.5	-40.8	-43.1	-176.5
Expand the credit for the elderly and the disabled ³	-0.1	-0.9	-1.1	-1.3	-1.5	-5.0
Repeal second earner deduction.....	1.6	7.2	7.6	8.1	8.6	33.1
Expand and index earned income tax credit ⁴	(*)	-1.4	-1.6	-1.9	-2.1	-7.0
Replace child and dependent care credit with a deduction from gross income	(*)	-0.3	-0.3	-0.3	-0.4	-1.2
<i>Excluded Sources of Income:</i>						
Include a portion of employer provided health insurance in taxable income (\$10/individual; \$25/family per month).....	2.3	3.4	3.5	3.7	3.8	16.7
Repeal exclusion of employer provided death benefits.....	(*)	(*)	(*)	(*)	0.1	0.2
Repeal exclusion of employee awards	(*)	(*)	(*)	(*)	(*)	(*)
Repeal tax-exempt threshold for unemployment compensation		0.3	0.9	0.9	0.9	3.0
Repeal exclusion of workers' compensation and black lung benefits		0.4	1.6	2.0	2.1	6.2
Limit exclusion of scholarships and fellowships.....	(*)	0.1	0.2	0.2	0.2	0.7
Repeal exclusion of prizes and awards.....	(*)	(*)	(*)	(*)	(*)	(*)

Extend exemption of contributions to group legal plans.....	-0.1	-0.1	-0.2	-0.2	-0.3	-0.8
Extend exemption of contributions for educational assistance	-0.1	-0.1	-0.2	-0.2	-0.2	-0.7
Non-discrimination rules for employee benefits		0.1	0.2	0.2	0.2	0.6
<i>Preferred Uses of Income:</i>						
Repeal deduction for State and local taxes	5.4	36.0	37.3	41.4	46.2	166.3
Accelerate expiration of charitable contributions deduction for non-itemizers	0.4	2.7				3.1
Restrict entertainment expense deductions and limit deductions for business meals (50% over \$25 per meal):						
Individual.....	0.3	0.5	0.7	0.8	0.8	3.1
Corporate	0.3	0.6	0.8	0.9	1.0	3.6
Limit temporary assignments to 1 year:						
Individual.....	(*)	(*)	(*)	(*)	(*)	0.1
Deny deduction for education travel:						
Individual.....	(*)	(*)	(*)	(*)	(*)	0.1
Corporate	(*)	(*)	(*)	(*)	(*)	(*)
Deny deduction for cruise ship seminars:						
Individual.....	(*)	(*)	(*)	(*)	(*)	(*)
Corporate	(*)	(*)	(*)	(*)	(*)	(*)
Limit deduction for luxury water travel:						
Individual.....	(*)	(*)	(*)	(*)	(*)	(*)
Corporate	(*)	(*)	(*)	(*)	(*)	(*)
Tighten grantor trust rules:						
Individual.....	(*)	(*)	(*)	(*)	(*)	0.1
Revise taxation of trusts and estates:						
Individual.....	0.2	0.5	0.6	0.7	0.7	2.7

Estimated Revenue Effects of the President's Tax Reform Proposals for Fiscal Years 1986-1990—Continued

[Billions of dollars]

Provision	1986	1987	1988	1989	1990	1986-90
Tax unearned income of children under 14 at parent's rate:						
Individual.....	0.1	0.3	0.3	0.3	0.3	1.3
Implement return-free system.....						
Revise the alternative minimum tax.....	0.1	0.5	0.5	0.6	0.7	2.4
Move miscellaneous deductions above the line and combine with employee business expense subject to a 1% of AGI floor.....	0.3	1.8	2.0	2.1	2.3	8.5
Repeal political contribution credit.....		0.3	0.3	0.3	0.3	1.2
Repeal presidential campaign checkoff.....						
Repeal deduction for special needs adoption expenses.....		(*)	(*)	(*)	(*)	(*)
Repeal income averaging.....	0.9	3.6	3.8	4.1	4.3	16.7
<i>Subtotals, Individual Provisions:</i>						
Individual	-20.3	-38.2	-57.3	-64.1	-71.3	-251.217
Corporate	0.3	0.6	0.8	0.9	1.0	3.6
Total.....	-20.0	-37.6	-56.5	-63.2	-70.3	-247.6
II. Retirement Saving						
Increase spousal IRA limit to \$2,000:						
Individual	0.3	0.8	0.9	-1.0	-1.1	-4.1
Tax on pre-retirement distributions, uniform basis recovery rules:						
Individual	-0.1	-0.1	0.1	0.4	0.7	1.1

Tax on qualified plan reversions:						
Corporate	(*)	(*)	(*)	(*)	(*)	0.1
Repeal 10-year averaging on lump sum distributions:						
Individual	0.5	0.5	0.3	0.3	0.4	2.1
Repeal 3-year basis recovery rule for contributory plans:						
Individual	0.7	2.1	2.7	2.7	2.7	10.8
Eliminate deferral of appreciation of employer retirement securities:						
Individual	(*)	0.1	0.1	0.1	0.1	0.4
Simplify contribution deduction limits:						
Individual	(*)	0.1	0.1	0.1	0.1	0.3
Excise tax on excess retirement contributions:						
Individual	(*)	(*)	(*)	(*)	(*)	(*)
Excise		(*)	(*)	(*)	(*)	(*)
Repeal combined plan limit for non-top-heavy plans:						
Individual	-0.1	-0.2	-0.3	-0.3	-0.3	-1.3
Tax on retirement distributions in excess of ceiling:						
Individual	(*)	(*)	(*)	(*)	(*)	0.1
Modify rules for deductions of ESOP contributions, allow PAYSOP credit to expire:						
Individual	(*)	(*)	(*)	(*)	(*)	(*)
Corporate	(*)	(*)	(*)	(*)	(*)	(*)
Modify cash and deferred arrangements (CODAs): ⁵						
Individual	0.4	0.9	0.9	1.0	1.1	4.3
<i>Subtotals, Retirement Saving:</i>						
Individual	1.3	2.4	2.9	3.3	3.8	13.6

Estimated Revenue Effects of the President's Tax Reform Proposals for Fiscal Years 1986-1990—Continued

[Billions of dollars]

Provision	1986	1987	1988	1989	1990	1986-90
Corporate	(*)	(*)	(*)	(*)	(*)	0.1
Excise	(*)	(*)	(*)	(*)	(*)	(*)
Total.....	1.3	2.4	2.9	3.3	3.8	13.7
III. Basic Taxation of Capital and Business Income						
Reduce corporate rates and graduated structure:						
Corporate	-8.1	-23.5	-34.2	-35.2	-36.1	-137.1
Revise corporate minimum tax:						
Corporate		0.7	0.7	0.7	0.8	2.8
Capital gains:						
Individual (50% exclusion rate).....	(*)	1.8	4.1	4.6	5.1	15.6
Corporate		(*)	(*)	(*)	(*)	(*)
Adjust depreciation schedules and index for inflation: ⁶						
Individual	0.1	(*)	0.6	2.2	4.1	7.1
Corporate	0.2	-0.3	1.2	4.9	8.4	14.5
Repeal investment tax credit:						
Individual	1.5	4.3	4.9	5.5	6.1	22.2
Corporate	10.6	20.5	25.2	28.9	32.0	117.2
Allow expensing of first \$5,000 of depreciable business property, repeal scheduled increases:						
Individual			0.1	0.3	0.3	0.7
Corporate			0.2	0.3	0.3	0.8
Allow indexed FIFO, repeal conformity:						
Individual		-0.1	-0.3	-0.4	-0.4	-1.2

Corporate		-2.2	-3.8	-4.0	-4.2	-14.1
Recapture of rate differential on accelerated depreciation: ⁷						
Individual	(*)	0.4	0.5	0.4		1.5
Corporate	10.1	16.8	20.1	8.9		55.9
10% dividends paid deduction; 90% intercorporate dividends received deduction:						
Individual		-0.4	-0.9	-0.0	0.6	-0.7
Corporate		-2.9	-5.3	-6.0	-6.5	-20.6
Repeal \$100/\$200 dividend exclusion:						
Individual	0.2	0.6	0.6	0.6	0.7	2.7
<i>Subtotals, capital and business income:</i>						
Individual	2.0	6.8	9.7	13.2	16.5	48.0
Corporate	12.9	9.0	4.2	-1.5	-5.2	19.4
Total.....	14.9	15.8	13.8	11.7	11.2	67.4

6

IV. Specific Industry, Tax Shelter, and Other Tax Provisions

Match expense and income from multiperiod production:

Individual	0.2	0.8	1.6	2.0	1.9	6.4
Corporate	1.9	5.6	10.7	15.3	17.2	50.7

Restrict use of cash accounting method:

Individual	0.1	0.2	0.3	0.3	0.3	1.0
Corporate	0.4	0.7	0.8	0.8	0.8	3.4

Limit bad debt deductions to actual loss:

Individual	(*)	0.1	0.1	0.1	0.1	0.3
Corporate	0.7	1.1	1.2	1.2	1.3	5.5

Treat pledges of installment obligations as payments:

Individual	(*)	0.1	0.2	0.2	0.2	0.6
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Estimated Revenue Effects of the President's Tax Reform Proposals for Fiscal Years 1986-1990—Continued

[Billions of dollars]

Provision	1986	1987	1988	1989	1990	1986-90	
Corporate.....	0.1	0.2	0.3	0.3	0.3	1.2	
<i>Energy Provisions:</i>							
Repeal business energy credits, limit gasahol exemption:							
Individual.....	(*)	-0.1	-0.1	-0.1	-0.1	-0.3	
Corporate.....	-0.2	-0.3	-0.3	-0.3	-0.3	-1.3	
Excise.....	0.2	0.3	0.3	0.4	0.4	1.6	
Phase out percentage depletion except for stripper wells:							
Individual.....	0.1	0.2	0.4	0.6	0.8	2.2	10
Corporate.....	0.1	0.2	0.3	0.6	0.9	2.0	
Index basis of certain depletable assets:							
Individual.....		(*)	(*)	(*)	(*)	-0.1	
Corporate.....		(*)	-0.1	-0.1	-0.2	-0.4	
Repeal special treatment of royalty income:							
Individual.....	(*)	(*)	0.1	0.1	0.2	0.4	
Corporate.....	(*)	(*)	(*)	(*)	(*)	0.1	
Repeal of capital gains treatment for timber income:							
Individual.....	(*)	0.1	0.2	0.2	0.2	0.6	
Corporate.....	0.3	0.6	0.6	0.7	0.7	3.0	
Repeal special rules for mining reclamation reserves:							
Individual.....	(*)	(*)	(*)	(*)	(*)	(*)	
Corporate.....	(*)	0.1	0.1	0.1	0.1	0.3	

Financial Institutions:

Repeal depository institution's bad debt reserve deductions:

Corporate	0.7	1.3	1.1	0.9	1.1	5.2
Disallow interest incurred to carry tax ex- empts:						
Individual.....	(*)	-0.2	-0.5	-0.7	-0.9	-2.4
Corporate	0.2	0.7	1.1	1.5	1.9	5.4
Repeal tax exemption of large credit unions:						
Corporate	0.2	0.3	0.4	0.4	0.4	1.8
Repeal special carryover rules for depository institutions:						
Corporate	(*)	(*)	(*)	(*)	(*)	(*)
Repeal special reorganization rules for trou- bled thrifts:						
Corporate						

Life and Property/Casualty Insurance:

Limit life insurance reserve deductions;
repeal special percentage of taxable income
deduction; and repeal exemption of certain
small companies:

Corporate	0.9	1.6	1.7	1.8	1.9	7.9
Limit property and casualty insurance com- pany reserves: ⁸						
Individual.....	-0.1	-0.3	-0.1	-0.1	-0.1	-0.8
Corporate	0.1	0.5	1.3	1.9	2.4	6.3
Repeal P&C insurance company deduction for addition to protection against loss accounts:						
Corporate	0.1	0.1	0.1	0.1	0.1	0.4
Limit deductibility of P&C dividends:						
Corporate	0.1	0.1	0.1	0.1	0.1	0.3

Estimated Revenue Effects of the President's Tax Reform Proposals for Fiscal Years 1986-1990—Continued

[Billions of dollars]

Provision	1986	1987	1988	1989	1990	1986-90
Repeal special tax exemption, rate reductions, and deductions of small mutual P&C companies:						
Corporate	(*)	(*)	(*)	(*)	(*)	(*)
Insurance investment income:						
Repeal exclusion of inside buildup:						
Individual				(*)	0.2	0.2
Repeal exclusion of current annuity income:						
Individual	(*)	0.1	0.3	0.5	0.6	1.5
<i>State and Local Government Debt and Investments:</i>						
Repeal exemption for nongovernmental bonds:						
Individual	0.4	2.0	4.0	5.7	7.2	19.3
Corporate	-0.1	-0.3	-0.7	-1.0	-1.2	-3.3
Tighten restrictions on tax-exempt bond arbitrage:						
Individual	0.1	0.2	0.2	0.2	0.2	0.7
Corporate	(*)	(*)	(*)	(*)	(*)	0.1
<i>Special Expensing and Amortization Rules:</i>						
Repeal expensing of conservation expenditures and farmers fertilizer and field clearing:						
Individual	0.4	0.9	0.1	0.1	0.1	1.7
Corporate	0.4	0.3	0.1	0.1	0.1	0.8

Repeal 5-year amortization of expenditures for rehabilitation of low-income rental housing:						
Individual.....	(*)	(*)	(*)	(*)	(*)	(*)
Corporate	(*)	(*)	(*)	(*)	(*)	(*)
Repeal 5-year amortization of pollution control:						
Corporate	(*)	(*)	(*)	(*)	(*)	(*)
Repeal 50-year amortization of railroad tunnels and bores:						
Corporate	(*)	(*)	(*)	(*)	(*)	(*)
Repeal 5-year amortization of trademark expenses:						
Individual.....	(*)	(*)	(*)	(*)	(*)	0.1
Corporate	(*)	(*)	(*)	(*)	(*)	0.1
Repeal 84-month amortization, 10% credit for reforestation:						
Individual.....	(*)	(*)	(*)	(*)	(*)	(*)
Corporate	(*)	(*)	(*)	(*)	(*)	(*)
<i>Other Specific Industry Provisions:</i>						
Repeal rehabilitation tax credits:						
Individual.....	0.1	0.3	0.9	1.6	2.1	5.0
Corporate	(*)	0.1	0.3	0.5	0.6	1.7
Repeal special rules for returns of magazines etc. and qualified discount coupons:						
Corporate	0.1	0.1	(*)	(*)	(*)	0.3
Repeal exclusion of Merchant Marine Capital Construction Fund:						
Corporate	(*)	0.1	0.1	0.2	0.4	0.8
Extend credit for research and experimentation:						
Individual.....	(*)	(*)	(*)	(*)	(*)	-0.1

Estimated Revenue Effects of the President's Tax Reform Proposals for Fiscal Years 1986-1990—Continued

[Billions of dollars]

Provision	1986	1987	1988	1989	1990	1986-90
Corporate	-0.6	-1.2	-1.5	-1.7	-1.9	-6.9
Require employers to make nondeductible payments to employees who receive ESOP dividends:						
Individual.....	(*)	(*)	(*)	(*)	(*)	0.1
Corporate.....	(*)	(*)	(*)	(*)	(*)	(*)
Repeal deduction for nonbusiness interest other than principal home mortgages (\$5,000 limitation):						
Individual.....	(*)	0.5	0.6	0.8	1.0	2.9
Limit artificial losses (at risk rules):						
Individual.....	(*)	0.1	0.2	0.4	0.5	1.2
Corporate.....	(*)	-0.1	-0.2	-0.3	-0.4	-1.1
<i>International Issues:</i>						
Possessions tax credit:						
Corporate	(*)	(*)	0.1	0.2	0.3	0.6
Other provisions affecting international income:						
Corporate	1.3	2.3	2.6	2.8	3.3	12.3
<i>Other Tax Provisions:</i>						
Penalties:						
Simplify information and return penalties:						
Individual.....						
Corporate.....						

Repeal maximum limits for penalties:						
Individual	(*)	(*)	(*)	(*)	(*)	(*)
Corporate	(*)	(*)	(*)	(*)	(*)	(*)
Estate and gift	(*)	(*)	(*)	(*)	(*)	(*)
Excise	(*)	(*)	(*)	(*)	(*)	(*)
Change failure-to-pay penalty to cost-of-						
collection charge:						
Individual	0.3	0.3	0.3	0.3	0.3	1.5
Corporate	(*)	(*)	(*)	(*)	(*)	0.2
Estate and gift	(*)	(*)	(*)	(*)	(*)	0.1
Excise	(*)	(*)	(*)	(*)	(*)	(*)
<i>Subtotals, Specific Industry, Tax Shelter, and</i>						
<i>Other Tax Provisions</i>						
Individual	1.6	5.3	8.6	12.0	14.8	42.3
Corporate	6.9	14.1	20.4	26.2	29.9	97.4
Estate and gift	(*)	(*)	(*)	(*)	(*)	0.1
Excise	0.2	0.3	0.4	0.4	0.4	1.7
Total	8.6	19.7	29.3	38.6	45.0	141.4
Total change in receipts:						
Individual	-15.5	-23.7	-36.2	-35.6	-36.3	-147.3
Corporate	20.1	23.7	25.3	25.7	25.6	120.4
Estate and gift	(*)	(*)	(*)	(*)	(*)	0.1
Excise	0.2	0.3	0.4	0.4	0.4	1.7
Total	4.8	0.3	-10.5	-9.6	-10.2	-25.2
Congressional Budget Office total tax receipts						
projections under present law:						
Individual	361.4	392.9	432.1	471.2	514.7	2,172.3
Corporate	71.1	88.5	96.2	101.8	107.3	464.9
Estate and gift	5.3	5.0	4.7	4.7	5.1	24.8

Estimated Revenue Effects of the President's Tax Reform Proposals for Fiscal Years 1986-1990—Continued

[Billions of dollars]

Provision	1986	1987	1988	1989	1990	1986-90
Excise	34.5	35.0	33.9	33.9	34.2	171.2
Total.....	472.3	521.4	566.9	611.3	661.3	2,833.2

Details may not add to totals due to rounding.

* Less than \$50 million.

¹ Estimates relate to individual tax changes unless otherwise noted.

² Zero Brackets Amounts are increased to (in 1986 dollars): \$2,900 for single filers, \$3,600 for heads of households, and \$4,000 for joint filers.

³ This estimate reflects the following clarifications of the Administration proposal: (1) in the case of a taxpayer who is at least age 65 and is blind, the initial base amount would be increased by \$1,500, (2) in the case of a taxpayer who is a head of household, the initial base amount would be \$9,250 (rather than \$8,750), and (3) the initial base amount would be increased by the amount of workers' compensation or black lung disability benefits received by the taxpayer during the taxable year.

⁴ Estimates include outlays associated with the refundable portion of the credit.

⁵ This estimate reflects a clarification that an individual's annual IRA deduction limit would be reduced, dollar for dollar, by the amount of deferrals under a CODA for the taxable year.

⁶ This estimate will be approximately \$0.9 billion lower over the period if H.R. 2475, the Simplification of Imputed Interest Rules, is enacted prior to this provision.

⁷ This revenue estimate reflects the interpretation that the recapture tax on excess depreciation would not apply to property that was placed in service on or after January 1, 1980, but was disposed of in a taxable transaction before July 1, 1986.

⁸ This estimate reflects a clarification that the maximum amount credited to a qualified reserve account (QRA) at the end of any taxable year cannot exceed the statutory reserves for the line of business for which the QRA was established.

Note A: These estimates are consistent with Congressional Budget Office economic forecasts published in February, 1985. The individual rate schedule estimate assumes that the relationship between collections and tax liability is unchanged from current law. The 1986 level revenue effect may be significantly altered depending on the prescribed changes in the withholding tables and the estimated tax rules.

ERRATA SHEET FOR JCS-26-85

- p. 6. The 1986-1990 subtotal for "Individual Provisions: Individual" should read: -251.2.

All estimates for the item: "Increase Spousal IRA limit to \$2,000" should be negative numbers.

- p. 15. The 1986-90 sum for the total change in receipts should read: -25.1.

- p. 16. Footnote 7 should include the sentence: This estimate is based on an understanding that the proposal contemplates rules to prevent avoidance of the provision for dispositions prior to the effective date.